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22 APR 1969

MEMORANDUM FOR: Comptroller, OSA

SUBJECT: Delegation of Authority to OSA Field
Installations; Field Finance Procedures

1. The following review of possible alternatives in connection with delegation of financial authority to OSA field installations and with field accounting procedures is submitted in accordance with your request.

2. Present Procedures - Under the CIA regulations, Chief of Stations and Bases are delegated a very great amount of authority to expend Government funds. The principal limitations are contained in project approvals and allotment advices. There are also limitations in connection with certain controlled items such as the procurement of vehicles. At the present time the [] are operating under authorities granted to Chiefs of Stations by the regulations. I have been unable to locate a paper establishing this as our policy but it has been the de facto policy for many years.

3. Limitations on the Authority of Chiefs of Field Installations - It would be within the discretion of the DDS&T to reduce the authority of OSA field chiefs. The regulations clearly indicate that Headquarters elements may limit the authority of the field Chiefs. For example, the authority of a Chief to make disbursements for operational entertainment may be limited or withdrawn. These limitations could be accomplished without any changes in the existing budget and accounting procedures and would have no effect on workloads either at the field installations or the Headquarters.

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SECRET

25X1A

[] 8834-69
Page 2

4. Establishment of Modified Class A Procedure - The OSA stations at present utilize a procedure identified in Agency regulations as a Class A procedure. Under this procedure the accounts are kept at the Station and claims are certified by the field station finance officer. The monthly reports to Headquarters indicate only the categories of expenditures by fan number and object class and contain no detail whatever on individual disbursements. For example, identification can be made from the accounting that funds were expended for travel but neither the individuals traveling nor the purposes of the travel are indicated.

25X1A The Office of Finance has recently developed what is referred to as a modified Class A procedure. This procedure does not in any way change the authority of the Chief of Station or of the Finance Officer, but the procedure does provide for the forwarding of all vouchers and supporting documentation to Headquarters several times each month. Thus, the raw material is available to Headquarters for the preparation of any desired reports or analyses. Also, the change materially reduces and simplifies the record keeping and reporting by the field station. The shift in workload cannot be identified exactly without a detailed study. It will, of course, vary from station to station. In addition, some variations in the procedure can be made depending on the particular situation. Each of these variations also will result in some changes in the workload. Using [] as an example, it is estimated that institution of this procedure could save approximately 5-10 man days per month at the station and would require 2-8 additional man days per month at Headquarters.

5. Class B Procedures - The CIA has for many years had a procedure, identified as the Class B procedure, prescribed for use at small stations where financial competence is not available. Under the Class B procedure a very simple cash journal is kept and all documents are forwarded to Headquarters for examination, certification and recording. From the standpoint of management control, the principal difference between the Class B and the modified Class A is that under the Class B system all voucher examination and claim certification is done at the Headquarters level while under the modified Class A system claims are certified by the field finance officer. The difference in manpower requirements between the Class B and the Class A is substantial. We estimate that

25X1A

SECRET

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SECRET

25X1A

[] 8834-69
Page 3

institution of the Class B at [] would save approximately 25X1A
10-15 man days per month at each station and would require an
additional 7-10 man days per month at Headquarters.

6. Summary - The modified Class A procedures would appear
to be best suited to accomplish the objectives identified. It
is believed that this change will permit the desired review at
Headquarters without in any way interfering with the operation
of the field installation and, in addition, will save manpower
at the stations without an excessive increase in manpower
requirements at Headquarters.

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/s/
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Chief, Budget & Finance Division
Office of Special Activities

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